GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2126
ANSWERED ON:28.07.2017
FRBM
Reddy Shri Y. S. Avinash

Will the Minister of FINANCE be pleased to state:

(a) whether the Fiscal Responsibility and Budget Management (FRBM) framework has failed in curbing of dangerous fiscal imbalances and in bringing debt in declining trajectory;
(b) if so, the details thereof; and
(c) the remedial measures taken/being taken by the Government in strengthening the FRBM to check the fiscal imbalances in future?

Answer

MINISTER OF STATE FOR FINANCE (SHRI ARJUN RAM MEGHWAL)

(a) to (c): After the enactment of Fiscal Responsibility and Budget Management (FRBM) Act, 2003 and subsequent framing of FRBM Rules in 2004, fiscal deficit of the Central Government has declined from 4.5% of GDP in 2003-04 to 3.5% of GDP in 2016-17 (revised estimates). The Central Government's Debt to GDP ratio reduced from about 58.4% in 2003-04 to about 46.7% in 2016-17 (revised estimates).